

GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

Vijayawada Municipal Corporation – JNNURM – Ratification of the procurement process adopted by VMC in respect of 127 packages (works) sanctioned under UIG and BSUP of JNNURM in violation of the Government orders – Ratified – Orders – Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (UBS) DEPARTMENT

G.O.RT.No. 624

Dated:28.09.2015

Read the following:

1. G.O.Ms.No.94, I&CAD Department dated 01.07.2003.
2. G.O.Ms.No.504, MA & UD Department, dated 12.07.2007.
3. G.O.Rt.No.952, MAUD(UBS) Department, Dated:12.7.2012.
4. From Managing Director, APUFIDC Lr.No.3008/APUFIDC /JNNURM /Tech.Comm/2012, Dated:5.12.2012, 12.12.2012 and 12.2.2013.

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ORDER:

The Government have sanctioned 19 projects under Urban Infrastructure and Governance (11) and 8 Projects under Basic Services for Urban Poor under UIG and BSUP with a total amount of Rs.82195.14 lakhs (65 Packages under UIG amounting to Rs.38267.50 lakhs and 62 Packages under BSUP amounting to Rs.43927.64 lakhs). The works include construction of houses (G+3), providing B.T.Roads, Model Community Hall, Formation of Roads, relation wall, outfall drain, footpaths, 6 lane Ryves canal, 2/4 lane bridge across Eluru canal, Budameru Rivulet, Providing sewer line collection net works, drainage, water works etc.

2. As per the orders issued in the G.O. 1st read above, tenders have to be submitted to Commissioners of Tenders for all works costing more than Rs.2.00 crores, for scrutiny and finalization of tenders. Further in the G.O. 2nd read above, in G.O.Ms.No.504 dated 12.7.2007 orders were issued for adoption of EPC system of procurement for implementation of works under various schemes including JNNURM by Municipal Corporations, Municipalities and HMWS&SB, for all works costing more than Rs.10.00 Crores, subject to the condition that selection criteria (both physical and financial) should be strictly in accordance with G.O.Ms.No.94, I&CAD Department dated 1.7.2003 and to follow guide lines and instructions issued by I&CAD Department for EPC system from time to time.

3. The Managing Director, APUFIDC Ltd, has reported that the Independent Review and Monitoring Agency (IRMA) M/s Mukesh and Associates has submitted details regarding procurement methodology adopted by VMC for entrustment of the contracts for the project sanctioned under UIG of JNNURM and as per there report the tenders costing more than Rs.2.00 crores to Rs.10.00 crores were approved by Executive Authority of VMC instead of placing them before the Commissioner of Tenders and EPC system was not followed for the works costing more than Rs.10.00 crores and the sanctioned project were split into 127 petti packages.

4. There upon to find out the extent of deviations by different implementing agencies, the Government have constituted a Technical Committee with the following members in G.O.Rt.No.952, MA & UD (UBS) Department dated 12.07.2012 and requested the MD, APUFIDC to submit the report to Government:

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|---|-----|--------|
| 1. Engineer-in-Chief (Public Health), Hyderabad | ... | Member |
| 2. Engineer-in-Chief, GHMC., Hyderabad | ... | Member |
| 3. Chief Engineer, APUFIDC, Hyderabad | ... | Member |
| 4. Director, Technical, HMWSSB, Hyderabad | ... | Member |

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5. The said Committee in its report dt: 29.01.2013 has recommended the following:

I. (works costing Rs.2.00 crores to Rs.10.00 crores)

- The VMC followed G.O.Ms.No.94, I&CAD Dept. Dated:1.7.2003, except referring tenders to Commissionrate of Tender (COT) for its scrutiny.
- The Government did not constitute a tender committee in terms of Para 129-A (2) of HMC Act 1955 to evaluate and recommend the tenders for works costing more than Rs.50.00 lakhs. However, the VMC took its own decision.
- The Committee observed that the tender committee was not constituted by Government and further the VMC did not obtain any approval of tenders from Government.

II (works costing more than 10.00 crores)

- 10 Packages procured through Non-epc system, after issue of G.O.Ms.No.504, Dated:12.7.2007.
- The Committee-I headed by ENC (PH), Hyderabad scrutinized all the 127 packages exceeding Rs.2.00 crores and recommended to the Government for ratification of the procurement process of all the packages as some works are completed / in progress or on the verge of completion.
- The Committee opined that the Government may take a view, as prior approval from the GoAP was not obtained.

6. The Mayor, Vijayawada Municipal Corporation in his letter dated 17.12.2014 has brought it to the notice of Government that due to non-receipt of ratification orders from Government funds were not released to VMC and due to which the balance works in the projects of JNNURM are not completed and requested the Government to issue ratification orders in respect of the 127 packages takenup under JNNURM scheme by the VMC.

7. The Government after careful examination of the matter and also keeping in view of the report of the technical committee constituted in G.O.Rt.No.952,MA & UD Department, dated 12.07.2012 hereby ratify the procurement process adopted by VMC in respect of the following 127 packages (works) sanctioned under UIG and BSUP of JNNURM in violation of orders issued in G.O.Ms.No.94, I& CAD Department, dated 01.07.2003.

Total No. of Projects Submitted for Ratification	No's	Amount (Rs. In lakhs)
UIG	65	38267.50
BSUP	62	43927.64
Total:	127	82195.14

8. The Government have also decided to prosecute the officers involved in this issue for violation of the procedure and rules of procurement and tender process / rules.

9. The Managing Director, APUFIDC, A.P., Hyderabad shall take further necessary action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R. KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director, APUFIDC Limited, A.P., Hyderabad.
The Commissioner, VMC, Vijayawada.

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The Engineer-in-Chief PH), A.P., Hyderabad.

Copy to:

The P.S. to Prl.Secretary to C.M.

The O.S.D. to Hon'ble (MA&UD)

The P.S. to Principal Secretary to Government.

The G.A. (Cabinet) Department

The MA&UD (Vig.II) Department (for necessary action on Para (8) above).

SF/SC

//FORWARDED::BY ORDER//

ASSISTANT DIRECTOR